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The Aluminum Situation

Department of Economics and Statistics **October 1987**

1987 Net Shipments Up 4.9 Percent

Total industry net shipments for eight months 1987, an estimated 11,124 million pounds, were up 4.9 percent from the eight month 1986 total of 10,599 million pounds.

Domestic shipments of 10,334 million pounds were 3.2 percent more than the eight month 1986 total of 10,012 million pounds.

For the first eight months of 1987, imports of ingot and mill products were down 12.3 percent and exports were up 34.4 percent as compared with the same period of 1986.

Thru August 1987

	1987 8 Mos.	1986 8 Mos.	% Change
Mill Products	8,747	8,453	3.5
Ingot	2,377	2,146	10.8
Total	11,124	10,599	4.9
Less Exports	789	587	34.4
Domestic Total	10,334	10,012	3.2

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce
Latest data estimated by the Aluminum Association

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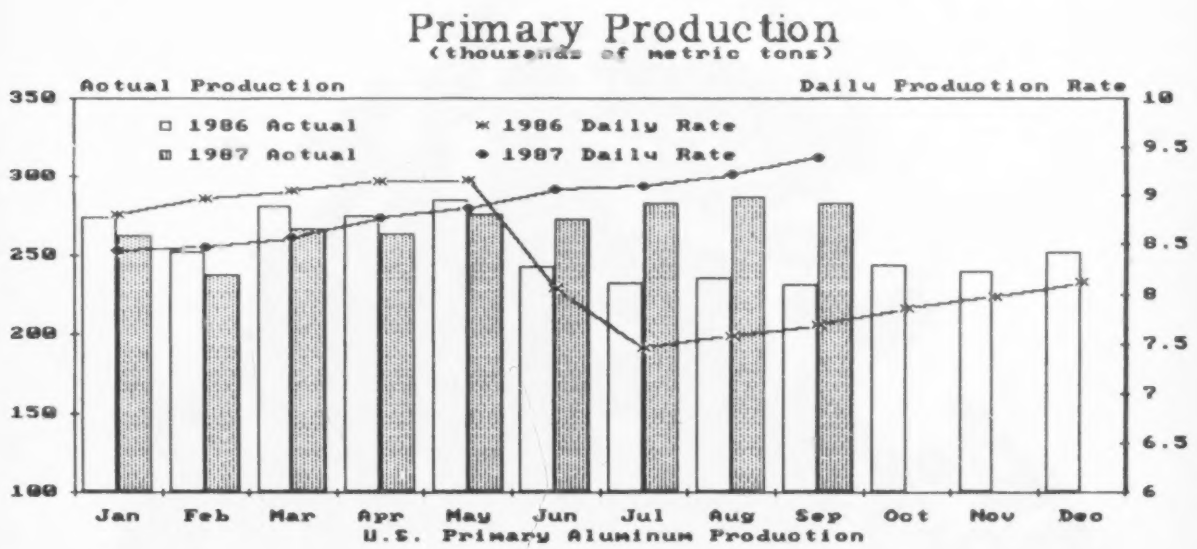
Production Rate for September Up 22.3%

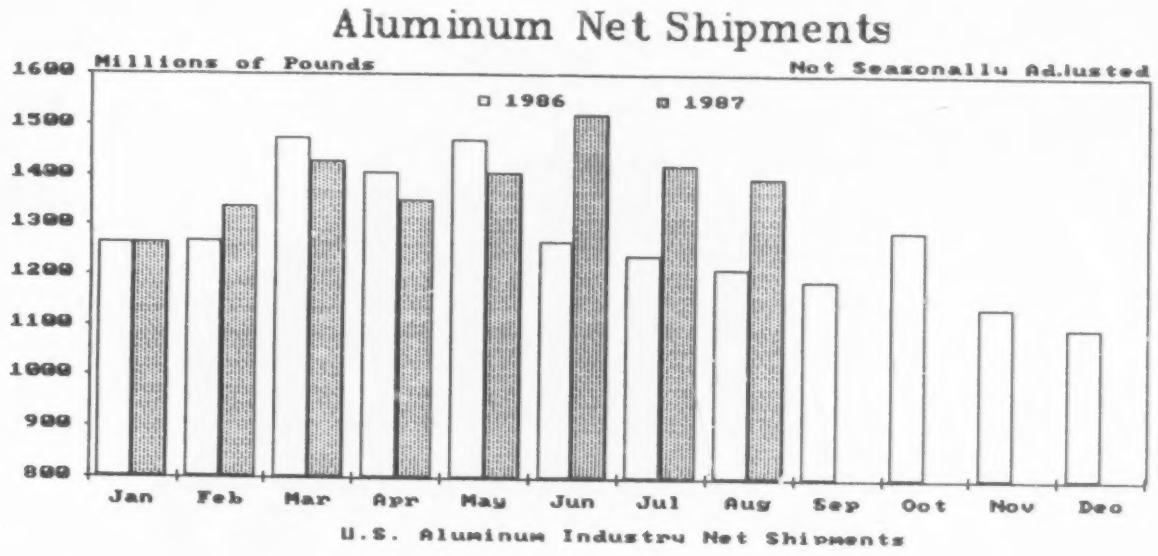
U.S. primary aluminum production averaged 9,405 metric tons daily during September 1987, compared with an average 7,688 metric tons per day in September 1986, an increase of 22.3 percent. The annual rate of production in September 1987 was 3,432,643 metric tons, compared to 2,805,998 metric tons in September 1986. The August 1987 annual rate was 3,370,575 metric tons. Actual production in September 1987 was 282,135 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Up 4.9 Percent

Estimated total industry net shipments of 11,124 million pounds for eight months of 1987 were up 4.9 percent from the eight month 1986 total of 10,599 million pounds. Exports for eight months of 1987 of 789 million pounds were up 34.4 percent. Domestic shipments showed a 3.2 percent increase from a year ago. August shipments of 1,396 million pounds were up 15.2 percent versus a year ago.



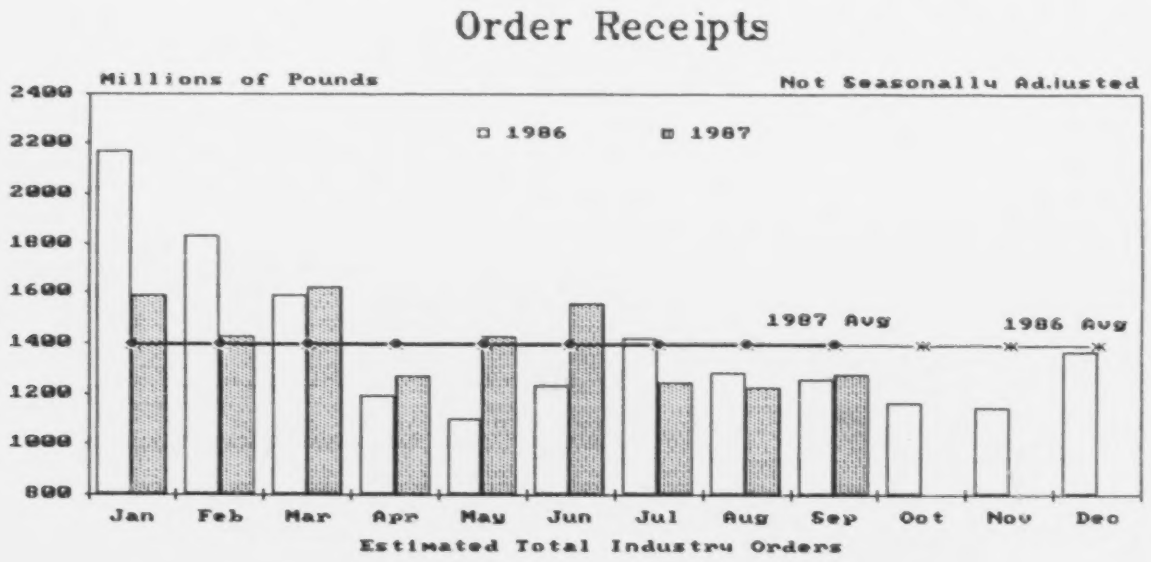
Net Shipments
(Millions of Pounds)

	1987* August	1986 August	1987 8 Mos.	1986 8 Mos.	% Change 1987 vs 1986
Sheet	567.0	509.4	4,678.2	4,380.4	6.8
Plate	21.0	16.9	178.5	168.1	6.2
Foil	74.0	61.5	577.6	575.6	0.3
Rod,Bar & Wire	32.0	27.2	247.9	232.3	6.7
Elec. Conductor	53.0	59.8	419.1	435.7	-3.8
Extruded Shapes,Tube	245.0	222.4	1,874.6	1,842.6	1.7
Powder & Paste	8.0	7.0	62.2	67.2	-7.5
Forgings & Impacts	15.0	10.6	106.9	96.5	10.8
Net Imports of Mill Products (Total) (a)	74.0	79.5	601.6	654.7	-8.1
Total Mill Products	1,089.0	994.3	8,746.5	8,453.1	3.5
Ingot (b)	307.0	218.0	2,377.0	2,146.1	10.8
TOTAL INDUSTRY SHIPMENTS	1,396.0	1,212.3	11,123.6	10,599.2	4.9
Exports	113.3	65.6	789.2	587.4	34.4
TOTAL DOMESTIC SHIPMENTS	1,282.7	1,146.7	10,334.4	10,011.8	3.2

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10-25% variation.
(*) Latest month estimated by Aluminum Association.

September New Order Receipts Increase 1.5 Percent

Estimated net new order receipts for September 1987 of 1,274 million pounds were up 1.5 percent versus a year ago. New order receipts for nine months of 1987 at 12,619 million pounds were down 3.5 percent versus the first nine months of 1986 total of 13,071 million pounds.



Order Receipts
(Millions of Pounds)

	1987* September	1986 September	1987 9 Mos.	1986 9 Mos.	% Change 1987 vs 1986
Can Stock (a)	287.6	203.8	2,714.2	2,757.2	-1.6
Sheet & Plate, Other	352.6	283.7	3,556.8	2,980.6	19.3
Foil	93.4	84.4	715.7	669.6	6.9
Rod,Bar & Wire	34.7	26.0	290.7	243.7	19.3
Electrical Conductor	52.7	58.1	476.0	497.9	-4.4
Extruded Products	255.3	229.8	2,579.1	2,151.3	19.9
Powder & Paste	3.6	6.0	60.5	61.7	-1.9
Forgings & Impacts	11.3	9.1	100.9	82.8	21.9
Domestic Mill Products	1,091.2	900.9	10,493.9	9,444.8	11.1
Ingot (Total)	116.9	289.3	1,289.0	3,040.5	-57.6
TOTAL DOMESTIC	1,208.1	1,190.2	11,782.9	12,485.3	-5.6
Exports	65.6	64.8	836.5	585.8	42.8
TOTAL ALL PRODUCTS	1,273.7	1,255.0	12,619.4	13,071.1	-3.5

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.
(*) Latest month.

Producer Inventories Drop 81 Million Pounds in August

Estimated producer inventories decreased slightly in August 1987 to a total of 4,323 million pounds. This represented a 81 million pound decrease from the revised July 1987 level of 4,404 million pounds.

Month-End Aluminum Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Dec 85	5,165	2,235	567	2,363
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927	1,896	622	2,409
Nov 86	4,902	1,879	598	2,425
Dec 86	4,939	1,982	642	2,315
Jan 87	4,868	1,878	586	2,404
Feb 87	4,784	1,693	582	2,509
Mar 87	4,702	1,623	561	2,519
Apr 87	4,591	1,521	560	2,511
May 87	4,515	1,465	557	2,494
Jun 87	4,475r	1,424r	613r	2,437r
Jul 87	4,404r	1,448r	616r	2,340r
Aug 87	4,323	1,369	615	2,339

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month estimated by the Aluminum Association. Early estimates are available from the Association on a subscription basis.

U.S. Imports & Exports

(Millions of Pounds)

		1987 August	1986 August	1987 8 Mos.	1986 8 Mos.	% Change 1987 vs 1986
Imports	Mill Products	74.0	89.2	668.6	747.4	-10.5
	Ingot	211.2	271.8	1,879.9	2,157.0	-12.8
	Total	285.3	361.0	2,548.5	2,904.4	-12.3
	Scrap (+ dross)	29.9	35.2	289.3	240.4	20.4
	Grand Total	315.1	396.2	2,837.8	3,144.7	-9.8
Exports	Mill Products	52.1	31.3	418.5	293.7	42.5
	Ingot	61.2	34.3	370.7	293.7	26.2
	Total	113.3	65.6	789.2	587.4	34.3
	Scrap	70.5	75.8	556.7	513.0	8.5
	Grand Total	183.9	141.4	1,345.8	1,100.4	22.3
Net Imports		131.3	254.8	1,492.0	2,044.4	-27.0

Source: Bureau of the Census, U.S. Department of Commerce.